



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing on Introduction **of** Public Improvement Reimbursement Ordinance

MEETING DATE: October 16, 1991

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That after a public hearing, the City Council discuss the Public Improvement Reimbursement Ordinance and Resolution and introduce the ordinance and continue the public hearing to the November 6, 1991 Council meeting for adoption of the accompanying resolution.

BACKGROUND INFORMATION: Developers are required to install water, sewer and drainage lines and street improvements necessary to serve their development. These improvements are made within the project and along the frontage of the parcel being developed thus parcels on the opposite side of the street then have those improvements available. Occasionally these improvements extend across other parcels. In either case, it is reasonable to require subsequent developers of the other parcels to reimburse the first developer for their appropriate share of the improvements. Although this reimbursement is not required by state law, it has been the City's practice to do so for many years.

In addition to the above scenario, developers are sometimes required to "oversize" a utility to provide "upstream" capacity. In this case, State law requires that the developer be reimbursed, either by the City or the upstream property.

The Development Impact Mitigation Fees address some of these issues, mainly oversize sewers, water mains and master storm drains required by the City Master Plans. The existing Municipal Code only addresses water and sewer extensions reimbursements and does not fully comply with state law.

The proposed ordinance does the following:

- 1) Creates a unified reimbursement procedure for improvements not covered under the Development Impact Mitigation Fees Ordinance;
- 2) **Adds** storm drainage and street installations as improvements eligible for reimbursement;
- 3) Repeals and/or amends existing code sections as needed to comply with the Development Impact Fee Study and the new Reimbursement Ordinance;
- 4) Provides for a public hearing process.

APPROVED.

THOMAS A. PETERSON
City Manager

recycled paper

CC-1

A comparison of major points in the proposed Reimbursement Ordinance and the existing code is shown in Exhibit A. Examples of reimbursable improvements are shown in Exhibit B. Exhibit C is the proposed ordinance and Exhibit D is the accompanying resolution. The existing code is attached for reference **as** Exhibit E.

The proposed ordinance provides that the City charge the applicant for preparation of the agreement and separate a "collection charge" when the reimbursement(s) is collected. This more equitably spreads the City's costs. The draft ordinance provides that the preparation charge can be included in the reimbursable amount. The collection charge would then be a minor charge to prepare a bill, collect the reimbursement and process a check. It could occur once **or** numerous times depending on the number **of** parcels affected by the reimbursement agreement. The ordinance provides for these charges to be set by separate resolution. A draft of this resolution is attached as Exhibit D and would be adopted when the ordinance is adopted at the next Council meeting. Continuation of the hearing will provide the full fourteen-day notice period as required by state law.

The recommended charges, based on Public Works staff time and expenses for advertising and mailing, are:

Agreement Preparation: 1% of construction cost with a minimum charge of \$500

Collection Charge: \$60

Based on the amounts of past agreements, most will pay the \$500 minimum.

FUNDING: None needed.



Jack L. Ronsko
Public Works Director

Prepared by Richard C. Prima Jr., Assistant City Engineer

JLR/RCP/1m

Attachments

cc: City Attorney
Mailing list

Reimbursement Agreements

| Item | <u>Existing Code</u> | <u>Proposed Ordinance</u> | <u>Comments</u> |
|------------------------------------|---|--|---|
| Affects: | Water lines Sewer Lines | Water Facilities Sewer Facilities Storm Drains Streets | The proposed ordinance will cover such improvements as sewer lift stations which, in the past, required a special agreement. |
| Maximum size without reimbursement | Water - 8" Sewer - 10" | Water 8" Sewer 10" Storm 18" Street 68 ft. R/W | The concept "oversize" streets was included in the Development Impact Mitigation Fee study, but not explicitly included in the ordinance. |
| costs eligible for reimbursement | Construction costs except services for oversize, difference in materials only 10% for engineering and administration | All construction costs plus services as appropriate Same Appropriate City fees, i.e. engineering, inspection, administrative charges, and easement acquisition | |
| Interest | Specifically <u>not</u> allowed | Reimbursement amount indexed to Engineering News Record Construction Cost Index | State law requires "an amount attributable to interest". Index is same as Development Impact Fee Ordinance |
| Term | 10 years, afterwards payments retained by City | 15 years, afterwards payments placed in the Impact Mitigation Fund(s) | |
| Basis of charge | Per front foot | As appropriate per parcel benefitted | Proposal allows flexibility in apportioning costs |
| City Charge | 2% of each reimbursement collected, with \$35.00 minimum for water | Separate charge to prepare agreement plus collection charge, all set per separate resolution | Draft resolution recommends 1% of construction cost with \$500 minimum and \$60 for each collection |

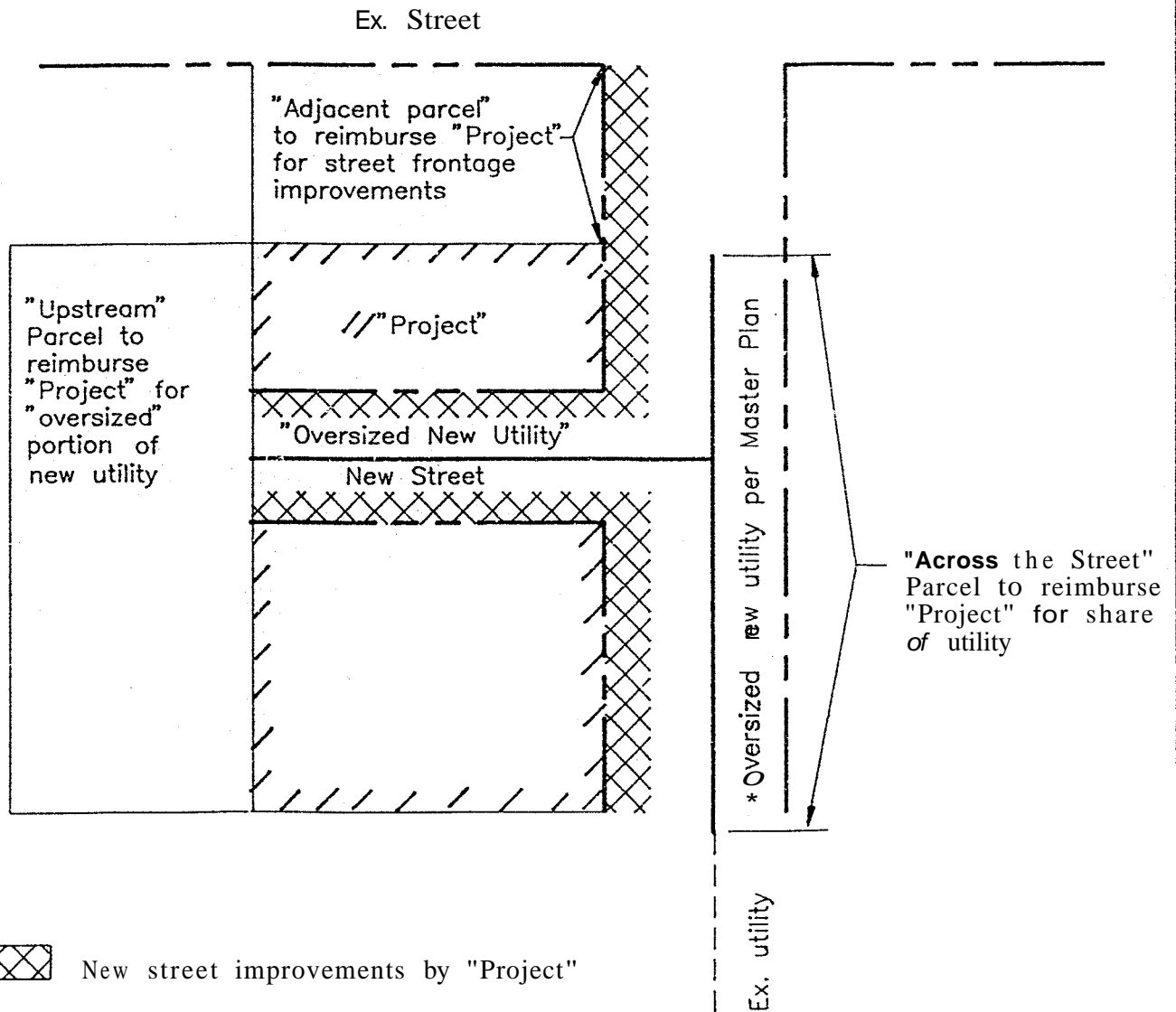


CITY OF LODI

PUBUC WORKS DEPARTMENT

EXHIBIT B

EXAMPLES OF REIMBURSEABLE PUBLIC IMPROVEMENTS



New street improvements by "Project"

- * oversize cost of Master Plan Utility to be paid from Development Impact Mitigation Fund.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LODI

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

Section 1. Chapter 16.40 is hereby added to Title 16 - "Subdivisions" of the Lodi Municipal Code to read as follows:

Chapter 16.40
Reimbursements For Construction

16.40.010 Findings and Purpose.

The Council hereby finds and declares as follows:

A. Construction of new streets and water, sewer and storm drains for a development project often benefits other properties. Such benefit may occur through the provision of supplemental capacity (oversize lines) or installations across or opposite unserved property which would be required to make such improvements upon development or service connection.

B. The State of California, in Government Code Sections 66485 through 66489, requires that the City either pay for or enter into an agreement to reimburse the installing party, including an amount attributable to interest, for such installations. Also, to pay the costs as required by the reimbursement agreement, the City may collect funds from the other properties which benefit from such installations.

C. The City of Lodi has adopted a Development Impact Mitigation Fee Ordinance (Chapter 15.64 of the Lodi Municipal Code) which provides for reimbursement and collection of funds under only a portion of the circumstances described in (A) above.

D. The purpose of that Chapter is to identify the improvements which are reimbursable under the Development Impact Mitigation Fee Program and to provide a uniform reimbursement procedure for the cost of improvements which are to be reimbursed from other properties. For purposes of this Chapter, "applicant" shall mean the owner of the property for which the improvements are required to be installed per the City Code.

16.40.020 Improvements to be Reimbursed.

A. The cost of the following improvements shall be reimbursed from the appropriate Development Impact Mitigation Fee Fund. The terms of the reimbursement shall be in accordance with Chapter 15.64 of this Code.

- 1) Oversize water mains and major crossings required per the Water Master Plan;
- 2) Oversize sewers and lift stations required per Sanitary Sewer Master Plan;
- 3) Storm drains identified as trunk lines in the Master Storm Drain Plan;
- 4) Excess width street right-of-way and construction required per Chapter 15.44 and 16.24 of this Code;
- 5) Any other construction identified in the City Capital Improvement Program as a project to be funded with Development Impact Mitigation Fees.

B. The cost of improvements not specified in (A) which benefit other property or would be required of that property upon development, shall be reimbursed in accordance with this Chapter.

16.40.030 City Eligibility.

Whenever the City constructs improvements meeting the requirements of this Chapter, the City shall be eligible for reimbursement in a like manner as other applicants.

16.40.040 Application for Reimbursement.

A. Whenever an applicant constructs improvements eligible for reimbursement under this Chapter, the applicant shall file a request for a Public Improvement Reimbursement Agreement with the Public Works Director. The request shall include:

- 1) A description of the improvements and the additional properties receiving the benefit;
- 2) Engineering calculations and data as described in the City's Public Improvement Design Standards;
- 3) An itemized cost estimate for the improvements including supporting information for the requested reimbursement;
- 4) A recommendation on apportionment of the reimbursable amount;
- 5) Application fees as determined by City resolution.

B. All such applications shall be filed no later than one year after the acceptance of the improvements by the City. The City will make no effort to delay project approval or otherwise condition payment of reimbursements from other properties benefiting from the improvements prior to completion of a reimbursement agreement.

16.40.050 Public Improvement Reimbursement Agreement.

A. Within 60 days of receipt of a completed application, the Public Works Director shall prepare a Public Improvement Reimbursement Agreement containing the following provisions:

- 1) The amount of reimbursable costs shall include easement acquisition and construction costs less any applicable City credits plus ten percent for administrative and engineering costs. Applicable City engineering and processing fees shall also be added. Costs of financing, bonds or other applicant costs shall not be included.
- 2) The total reimbursable cost shall be apportioned to the benefitting properties as appropriate. Costs of transitions, utility stubs or other minor work shall not be apportioned to adjacent property.
- 3) The reimbursable amount shall be recalculated annually to include an amount attributable to interest, using the Engineering News Record 20 Cities Construction Cost Index as of January 1. The reimbursable amount for subsequent years shall be the prior year reimbursable amount less any reimbursements made during the year, all multiplied by the percentage change in the Index over the previous year.
- 4) The agreement shall provide that the City will collect the appropriate charge from the properties identified in the agreement and reimburse the applicant or the applicant's heirs, successors or assigns, for a period of 15 years from the date of the agreement. Beyond 15 years, such charges shall be collected and paid into the appropriate Development Impact Mitigation Fee Fund, except that for agreements initiated by the City, the charge shall be placed in the City fund from which the improvement was originally funded or the General Fund if the original fund no longer exists.

5) Reimbursement shall be payable to the applicant or the applicant's heirs, successors and assigns. It is the applicant's

responsibility to notify the City Finance Director of changes of address and assigns.

6) The agreement shall be recorded for all parcels burdened and shall run with the land.

B. The approved agreement shall be numbered and filed by the Public Works Director.

16.40.060 Public Hearing and Protest.

A. Prior to approval of any agreement under this chapter, the City Council shall conduct a public hearing. The hearing shall be conducted within ninety (90) days of receipt of the completed application.

B. Notice of such hearing shall be given at least ten (10) days prior thereto by registered mail to the applicant and owners of all properties to be benefitted or burdened by such reimbursement agreement as identified in the latest adjusted tax roll.

C. Any interested party may, at the time of such hearing, protest an agreement under this chapter.

D. Following such hearing, the City Council shall make findings as to the specific parcels to be benefitted and/or burdened, and the nature of the benefits conferred.

E. If the City Council denies the agreement and reimbursement is required under state law, then the City Council shall either appropriate funds to reimburse the applicant or approve an agreement providing for the City to pay the reimbursement as required under this Chapter.

16.40.070 Collection of Reimbursements.

A. For any property on which the City Council has approved a Public Improvement Reimbursement Agreement, the appropriate charge shall be collected by the City upon development. Development shall mean any of the following:

- 1) Service connection to the utility covered by the Public Improvement Reimbursement Agreement;
- 2) Filing of a final subdivision map;
- 3) Filing of a final parcel map unless the City requirement for installation of public improvements is waived or deferred;
- 4) Issuance of a building permit for which public improvements are required under Chapter 15.44 of this Code.

B. In the event the activity described in (A) above only occurs on a portion of the area covered by the reimbursement agreement, the reimbursement charge shall be apportioned by the Public Works Director and the appropriate charge made upon the developing portion.

16.40.080 Payment of Reimbursements.

A. Upon collection of reimbursement charges, the Public Works Director shall prepare a letter of entitlement stating the amount of the charge collected, reference the agreement number and administrative charge to be retained by the City. The letter shall be forwarded to the Finance Director for actual reimbursement.

B. The administrative charge for collecting the charge and mailing the reimbursement shall be determined by the City Council by resolution.

C. The Finance Director shall mail the reimbursement amount to the last address on file with the Finance Director of the applicant.

D. Any reimbursement amount returned or unclaimed after two years from the date of mailing shall be deposited in the appropriate Development Impact Mitigation fee Fund.

Section 2. 13.08.110 of the Lodi Municipal Code is amended to read as follows:

13.08.110 Minimum size.

The minimum size water main shall have a nominal inside diameter of six inches except as approved by the Public Works Director in accordance with the City of Lodi Public Improvement Design Standards. In areas zoned or planned for commercial and industrial uses, the minimum size shall be eight inches in diameter. Larger size mains may be required as determined by the Public Works Director from the city master water plan.

Section 3. 13.08.130 of the Lodi Municipal Code is amended to read as follows:

13.08.130 Oversized mains.

Wherever the city requires that a water main larger than eight-inches in diameter be installed in order to serve additional property or to conform to the water master plan, the applicant shall be reimbursed the difference in cost between the actual water main to be constructed and an eight-inch diameter water main. The difference in cost shall be determined by the Public Works Director. The reimbursement shall be made in accordance with Chapter 16.40 of this code.

Section 4. 13.08.140 of the Lodi Municipal Code is amended to read as follows:

13.08.140 Major crossings.

A. Wherever the City Master Water Plan requires that a water main cross a right-of-way listed as follows, the City will reimburse the applicant one-half the estimated cost of that crossing:

1. Woodbridge Irrigation District;
2. Southern Pacific Transportation Company;
3. Central California Traction Company;
4. Highway 99;
5. Highway 12;
6. Lower Sacramento Road;
7. Hutchins Street (south of Kettleman Lane).

B. The limits of the crossing shall be determined by the Public Works Director. The reimbursement shall be made in accordance with Chapter 16.40 of this Code.

Section 5. 13.12.300 of the Lodi Municipal Code is amended to read as follows:

13.12.300 Purpose.

The City Council is desirous of adopting a sewer service and extension policy that is fair and equitable to all developing properties and that provides that the cost of extension shall be distributed among subsequently developing properties connecting thereto. For purposes of this Article, storm drains shall be considered as sewers except as specifically stated otherwise.

Section 6. 13.12.340 of the Lodi Municipal Code is amended to read as follows:

13.12.340 Minimum diameter.

The minimum size sewer main shall have a nominal inside diameter of eight inches except as approved by the Public Works Director in accordance with the City of Lodi Public Improvement Design Standards. The minimum size storm drain shall have a nominal inside diameter of twelve inches. Larger size mains may be required as determined by the Public Works Director in accordance with the City Public Improvement Design Standards or the City master sewer and storm drain plans.

Section 7. 13.12.370 of the Lodi Municipal Code is amended to read as follows:

13.12.370 Reimbursement - Oversized mains.

Wherever the city requires that a sewer main larger than ten inches in diameter or a storm drain larger than eighteen inches in diameter be installed in order to serve additional property or to conform to the applicable master plan, the applicant shall be reimbursed for the oversized pipe. The reimbursement shall be based on the difference in cost between the actual pipe to be installed and a ten-inch sewer or eighteen-inch storm drain as applicable. The difference in cost shall be determined by the Public Works Director. The reimbursement shall be made in accordance with Chapter 16.40 of this Code.

Section 8. Section 16.24.04 of the Lodi Municipal Code is amended to add the following:

C. The subdivider or developer shall be reimbursed for excess width street construction and right-of-way or for construction of permanent improvements fronting adjacent property. Reimbursement shall be made in accordance with Chapter 16.40 of this Code. For purposes of this section excess width shall mean the portion of right-of-way:

- 1) over 68 feet in width in new streets;
- 2) in excess of 34 feet in widenings of existing Streets on either side.

Section 9. Section 15.44.050 of the Lodi Municipal Code is amended to add the following:

F. Excess width street improvements and dedications made pursuant to this Chapter are eligible for reimbursement as provided in Chapter 16.24 of this Code.

Section 10. Sections 13.08.150, 13.08.160, 13.08.170, 13.01.180, ~~13.08.190~~, 13.08.200, 13.08.210, 13.12.350, 13.12.360, 13.12.380, 13.12.390, 13.12.400 and 13.12.410 of the Lodi Municipal Code are hereby repealed.

Section 11. Resolution No. 3570. "Limited Access Major Arterial Street Policy" is hereby repealed.

Section 12. Effective Date. This ordinance takes effect 60 days after its adoption.

Section **13.** Publication. The City Clerk shall either: (a) have this ordinance published once within 15 days after adoption in a newspaper of general circulation, or (b) have a summary of this ordinance published twice in a newspaper of general circulation, once 5 days before its adoption and again within 15 days after its adoption.

The foregoing ordinance was introduced at a meeting of the City Council of the City of Lodi held on _____, 1991, and was adopted and ordered published at a meeting of the City Council held on _____, 1991, by the following vote:

AYES:

NOES :

ABSENT:

ATTEST:

ALICE M. REIMCHE
City Clerk

Resolution No, 91-_____

A RESOLUTION OF THE LODI CITY COUNCIL ESTABLISHING CHARGES FOR PREPARATION AND PROCESSING OF PUBLIC IMPROVEMENT REIMBURSEMENT AGREEMENTS

WHEREAS, the Lodi City Council has adopted Ordinance No. _____ creating a procedure for preparation and processing of public improvement reimbursement agreements; and

WHEREAS, said Ordinance provides that the council may adopt by resolution, charges for the City to prepare and process said agreements; and

WHEREAS, the cost to prepare and process such agreements have been estimated by the Public Works Director; and

WHEREAS, such information was available for public inspection and review 14 days prior to a public hearing.

NOW THEREFORE IT IS RESOLVED by the Lodi City Council that:

1. The City charge to prepare a reimbursement for installation of public improvements shall be one percent of the reimbursable construction cost of the improvements, excluding engineering, administrative and other costs with a minimum charge of \$500.00.
2. The minimum preparation charge shall be paid at the time the application for preparation of an agreement is made. The final charge, if any, shall be paid prior to execution of the agreement by the City,
3. The above charges are non-refundable.
4. Upon collection of reimbursements a processing charge of \$60.00 shall be deducted from each check issued to the applicant.
5. The fees adopted in this Resolution shall take effect 60 days after adoption.

I hereby certify that Resolution 91-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held _____ by the following vote:

| | |
|----------|-------------------|
| Ayes : | Council Members - |
| Noes: | Council Members - |
| Absent: | Council Members - |
| Abstain: | Council Members - |

ALICE M. REIMCHE
City Clerk

13.08.060

owner or occupant and not opened until the fire is extinguished. (Prior code § 2-47)

Article II. Main Extensions

13.08.070 Policy.

No
Change

The city council is desirous of adopting a water main extension policy that is fair and equitable to all developing properties and that provides that the cost of extensions shall be distributed among subsequently developing properties connecting thereto. (Prior code § 26-5)

13.08.080 Application— Determination of necessity.

No
Change

A. Whenever a property owner is desirous of obtaining water service, an application shall be made to the public works director for water service.

B. The public works director shall determine the closest adequate water main and, if an extension is necessary, indicate the size of the main to be extended, and the limits of the extension. (Prior code § 26-6)

No
Change

13.08.090 Applicant's obligation.

Whenever the public works director determines that a water main extension is necessary, the applicant will be required to install at his own expense the water main extension in accordance with engineering plans furnished by applicant and approved by the public works director. The plans shall be prepared in accordance with the current city design standards and this article. (Prior code § 26-7)

13.08.100 Mains to extend full frontage.

No
Change

in every case where a water main is to be tapped to serve a parcel, the same shall be extended the Full frontage of the parcel, including any crossings required in the city master water plan. (Prior code § 26-8)

13.08.110 Minimum size.

Revise

The minimum size water main shall have a nominal inside diameter of six inches. In areas zoned or master planned for commercial and industrial uses, the minimum size shall be eight inches in diameter. Larger size mains may be required as determined by the public works director from the city master water plan. (Prior code § 26-9)

13.08.120 Fire hydrants.

No
Change

The installation of fire hydrants or provisions for fire hydrants shall be included in any main extension and the cost of such hydrants shall be paid for by the applicant. Fire hydrant location and type shall be as approved by the fire chief. (Prior code § 26-10)

13.08.130 Oversize mains.

Revise

Wherever the city master water plan requires that a water main larger than an eight-inch diameter be installed, the city shall pay to the applicant the difference in costs of material between the actual water main to be constructed and an eight-inch diameter water main. The difference in costs of material shall be determined by the public works director from bids received by the city for similar materials. Payment shall be made at the time

13.08.130

the water main reimbursement agreement is approved by the city council. (Prior code § 26-11)

will be permitted without reimbursement. (Prior code § 26-13)

13.08.160 Reimbursement — Agreement.

The water main extension agreement shall contain the following:

A. The amount of the reimbursable costs shall be determined by the public works director and subject to the approval of the city council.

B. Reimbursable costs shall include water main construction costs plus an administrative and engineering cost of ten percent of the construction cost. Costs of major crossings are not considered as reimbursable costs under the agreement.

C. Water service lines serving individual properties shall not be included as a reimbursable cost.

D. There shall be no reimbursement to the applicant in excess of reimbursable costs stated in the agreement.

E. No interest, finance or security costs shall be included in the reimbursable cost.

F. Reimbursement shall be paid from charges collected by the city from abutting properties as they connect to the new water main.

G. Reimbursement shall be paid only from charges collected within ten years from the date of the agreement. The city shall have no obligation to pay reimbursement from any source other than reimbursement funds collected pursuant to this article. Charges collected from abutting properties after ten years shall be retained by the city.

H. The charges collected for reimbursement shall be based upon the front

13.08.140 Major crossings.

A. Wherever the city master water plan requires that a water main cross a right-of-way listed as follows, the city will pay the applicant one-half the estimated cost of that crossing:

1. Woodbridge Irrigation District;
2. Southern Pacific Transportation Company;
3. Central California Traction Company;
4. Highway 99;
5. Highway 12;
6. Lower Sacramento Road;
7. Hutchins Street (south of Kettleman Lane).

B. The limits of the crossing and the estimated cost shall be determined by the public works director. (Prior code § 26-12)

13.08.150 Reimbursement — Application.

Whenever an applicant for a water main extension constructs or installs a water main that may serve abutting properties, the applicant may apply for a water main extension reimbursement agreement. The public works director shall determine the extent to which the abutting properties may be served and recommend a water main extension agreement to the city council prior to construction of any water main. In cases where properties served in the future do not abut the water main included in a reimbursement agreement, an extension

footage parallel to the water main of the adjoining ~~properties~~.

I. The city council, ~~by~~ resolution, shall ~~establish~~ the charge for administering the reimbursement provisions of this article.

J. Reimbursement shall ~~be~~ payable to heirs, successors and assigns of the appli-
wt.

K. City payment for major crossings shall ~~be~~ made to the applicant at the time of development (i.e., approval of subdivision or development ~~agreement~~, building permit). (Prior code § 26-14)

13.08.170 Reimbursement—City benefit.

A. Whenever the ~~city~~ ~~has~~ extended or installed a water main that will serve abut-
ting properties, the ~~City~~ shall ~~be~~ eligible for reimbursement ~~m a like manner as~~ other applicants.

B. Wherever the ~~city~~ ~~has~~ installed a major crossing (~~or~~ portion of one), the city shall be credited for the installation at the time the adjacent property ~~connects~~ to the ~~crossing~~. The credit shall ~~be~~ determined by the public ~~works~~ director based on then-current costs. (Prior code § 26-15)

13.08.180 Reimbursement—Payment.

Wherever the ~~city~~ council ~~has~~ approved a water main extension reimbursement agreement, the front-footage charges shall be ~~collected~~ by the ~~city~~ ~~from~~ any parcel abutting the water main covered in the agreement at the time of development and prior to water service being provided to the abutting parcel. (Prior code § 26-16)

13.08.190 Reimbursement—Letter of entitlement.

When payment for reimbursement ~~has been~~ made, the public works director shall prepare a letter of entitlement stating the fees collected, reference to the water main extension reimbursement agreement, the amount to ~~be~~ reimbursed, and the adminis-
trative ~~charge~~ to ~~be~~ retained by the ~~city~~. This letter of entitlement shall ~~be~~ forwarded to the ~~finance~~ director for actual reimburse-
ment under terms ~~of~~ the agreement. (Prior code § 26-17)

13.08.200 Reimbursement—Unclaimed.

The finance director shall mail the reim-
bursement to the ~~last~~ address of the appli-
cant, on file with the finance director, ~~in~~ the water main reimbursement agreement. Any reimbursement returned or unclaimed after two years from the date of ~~mailing~~ will revert to the city's general fund. (Prior code § 26-18)

13.08.210 Effective date.

This article shall apply to all properties developed after August 1, 1972. Reimburs-
able ~~costs~~ shall be ~~collected~~ and reimbursed for any water ~~mains~~ accepted for mainte-
nance after that date as outlined in this article; provided, however, that property covered by tentative maps or use permits approved by the planning commission prior to August 1, 1972, and developed within eighteen months of the date of approval by the planning commission shall not ~~be~~ re-
quired to pay reimbursement charges. (Prior code § 26-19)

13.12.300 Purpose.

Revise

The city council is desirous of adopting a sewer service and extension policy that is fair and equitable to all developing properties and that provides that the cost of extension shall be distributed among subsequently developing properties connecting thereto. (Ord. 1501 § 1 (part), 1990)

13.12.310

93.12310 Application.

No Change

Whenever a property owner is desirous of obtaining sewer service, an application shall be made to the public works director for sewer service. The public works director shall determine the closest adequate sewer and, if an extension is necessary, indicate the size of the main to be extended and the limits of the extension. (Ord. 1501 § 1 (part), 1990)

63.12320 Applicant's obligation.

No Change

Whenever the public works director determines that a sewer extension is necessary, the applicant will be required to install, at the applicant's own expense, the sewer extension in accordance with engineering plans furnished by applicant and approved by the public works director. The plans shall be prepared in accordance with the city design standards. (Ord. 1501 § 1 (part), 1990)

W.12330 Extension for full frontage width.

No Change

In every case where a sewer is to be tapped to serve a parcel, the same shall be extended the full frontage of the parcel unless the public works director determines that the sewer will not need to be extended to serve any other properties. (Ord. 1501 § 1 (part), 1990)

13.12340 Minimum diameter.

Revise

The minimum size sewer main shall have a nominal inside diameter of six inches. Larger size mains may be required as determined by the public works director from engineering calculations or the city master sewer plan. (Ord. 1501 § 1 (part), 1990)

13.12350 Reimbursement—Application.

Delete

Whenever an applicant for sewer extension constructs or installs a sewer that may serve abutting properties, the applicant may apply for a sewer extension reimbursement agreement. The public works director shall determine the extent to which abutting properties may be served and recommend a sewer extension agreement to the city council prior to construction of any sewer. (Ord. 1501 § 1 (part), 1990)

13.12360 Reimbursement—Agreement.

Delete

The sewer extension reimbursement agreement shall contain the following:

A. The amount of the reimbursable costs shall be determined by the public works director and subject to the approval of the city council.

B. Reimbursable costs shall include estimated sewer construction costs, less any applicable credits, plus an administrative and engineering cost of ten percent of the construction cost.

C. Sewer laterals serving individual properties shall not be included as a reimbursable cost.

D. There shall be no reimbursement to the applicant in excess of reimbursable costs stated in the agreement.

E. No interest, finance or security costs shall be included in the reimbursable costs.

F. Reimbursement shall be paid from charges collected by the city from abutting properties as they connect to the new sewer.

G. Reimbursement shall be paid only from charges collected within ten years from the date of the agreement. The city shall have no obligation to pay reimbursement from any

source other than reimbursement funds collected pursuant to this chapter. Charges collected from abutting properties after ten years shall be retained by the city.

H. The charges collected for reimbursement shall be based upon front footage parallel to the sewer of the abutting properties.

I. An administrative cost of two percent of the total reimbursable cost shall be deducted from any moneys paid to the city as payment for administering the reimbursement provisions of this chapter.

J. Reimbursement shall be payable to heirs, successors and assigns of the applicant. (Ord. 1501 § 1 (part), 1990)

13.12.370 Reimbursement — Oversize mains.

Whenever engineering calculations or the city master sewer plan require that a sewer main larger than ten inches in diameter be installed, the City shall pay to the applicant the difference in cost of material between the actual sewer to be installed and a ten-inch sewer. The difference in costs of material shall be determined by the public works director. Payment shall be made at the time the sewer reimbursement agreement is approved by the city council. (Ord. 1501 § 1 (part), 1990)

13.12.380 Reimbursement—City eligibility.

Whenever the city has extended or installed a sewer that will serve abutting properties, the city shall be eligible for reimbursement in a like manner as other applicants. (Ord. 1501 § 1 (part), 1990)

13.12.390 Reimbursement — Payment.

Whenever the city council has approved a sewer extension reimbursement agreement, the front footage charges shall be collected by the city from any parcel abutting the sewer covered in the agreement at the time of development and prior to sewer service being provided to the abutting parcel. (Ord. 1501 § 1 (part), 1990)

13.12.400 Reimbursement — Entitlement letter.

When payment for reimbursement has been made, the public works director shall prepare a letter of entitlement stating the fees collected, reference to the sewer extension reimbursement agreement, the amount to be reimbursed, and the administrative charge to be retained by the city. This letter of entitlement shall be forwarded to the finance director for actual reimbursement under terms of the agreement. (Ord. 1501 § 1 (part), 1990)

13.12.410 Reimbursement — Unclaimed.

The finance director shall mail the reimbursement to the last address on file with the finance director of the applicant in the sewer reimbursement agreement. Any reimbursement returned or unclaimed after two years from the date of mailing will revert to the city's general fund. (Ord. 1501 § 1 (part), 1990)

Article VI. Administration

13.12.420 Discharge reports.

In addition to the federally required reports described in Section 13.12.120, the city may require that any high-strength user dis-

CITY COUNCIL

■ DAVID M. HINCHMAN, Mayor
JAMES W. PINKERTON, Jr.
Mayor Pro Tempore
PHILLIP A. PENNINO
JACKA. SIEGLOCK
JOHN R. (Randy) SNIDER

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 334-5634
FAX (209) 333-6795

October 9, 1991

ALICE REIMCHE
CITY CLERK

THOMAS A. PETERSON
City Manager
ALICE M. REIMCHE
City Clerk
BOB McNATT
City Attorney

SUBJECT: Public Hearing on Introduction of Public Improvement
Reimbursement Ordinance

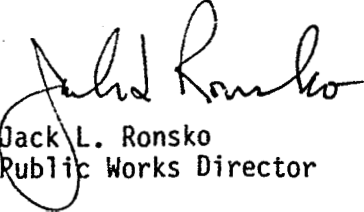
Dear Interested Party:

Enclosed is a copy of background information on an item that will be discussed at the City Council meeting on Wednesday, October 16, 1991, at 7:30 p.m. The meeting will be held in the City Council Chamber, Carnegie Forum, 305 West Pine Street. You are welcome to attend.

We have not included the complete Council package in this mailing due to its size. If you wish to obtain a copy, please call Linda McEnerney at 333-6706.

If you wish to communicate with the City Council, please contact Alice Reimche, City Clerk, at (209) 333-6702.

If you have any questions about the item, please call Richard C. Prima or me at (209) 333-6706.


Jack L. Ronsko
Public Works Director

JLR/lm

Enclosure

cc: City Clerk ✓

NREIMBUR/TXTW.02M



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing on Introduction of Public Improvement Reimbursement Ordinance

MEETING DATE: October 16, 1991

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That after a public hearing, the City Council discuss the Public Improvement Reimbursement Ordinance and Resolution and introduce the ordinance and continue the public hearing to the November 6, 1991 Council meeting for adoption of the accompanying resolution.

BACKGROUND INFORMATION: Developers are required to install water, sewer and drainage lines and street improvements necessary to serve their development. These improvements are made within the project and along the frontage of the parcel being developed thus parcels on the opposite side of the street then have those improvements available. Occasionally these improvements extend across other parcels. In either case, it is reasonable to require subsequent developers of the other parcels to reimburse the first developer for their appropriate share of the improvements. Although this reimbursement is not required by state law, it has been the City's practice to do so for many years.

In addition to the above scenario, developers are sometimes required to "oversize" a utility to provide "upstream" capacity. In this case, State law requires that the developer be reimbursed, either by the City or the upstream property.

The Development Impact Mitigation Fees address some of these issues, mainly oversize sewers, water mains and master storm drains required by the City Master Plans. The existing Municipal Code only addresses water and sewer extensions reimbursements and does not fully comply with state law.

The proposed ordinance does the following:

- 1) Creates a unified reimbursement procedure for improvements not covered under the Development Impact Mitigation Fees Ordinance;
- 2) Adds storm drainage and street installations as improvements eligible for reimbursement;
- 3) Repeals and/or amends existing code sections as needed to comply with the Development Impact Fee Study and the new Reimbursement Ordinance;
- 4) Provides for a public hearing process.

APPROVED. _____

THOMAS A. PETERSON
City Manager

RECYCLED PAPER

cc-1

A comparison of major points in the proposed Reimbursement Ordinance and the existing code is shown in Exhibit A. Examples of reimbursable improvements are shown in Exhibit B. Exhibit C is the proposed ordinance and Exhibit D is the accompanying resolution. The existing code is attached for reference as Exhibit E.

The proposed ordinance provides that the City charge the applicant for preparation of the agreement and separate a "collection charge" when the reimbursement(s) is collected. This more equitably spreads the City's costs. The draft ordinance provides that the preparation charge can be included in the reimbursable amount. The collection charge would then be a minor charge to prepare a bill, collect the reimbursement and process a check. It could occur once or numerous times depending on the number of parcels affected by the reimbursement agreement. The ordinance provides for these charges to be set by separate resolution. A draft of this resolution is attached as Exhibit D and would be adopted when the ordinance is adopted at the next Council meeting. Continuation of the hearing will provide the full fourteen-day notice period as required by state law.

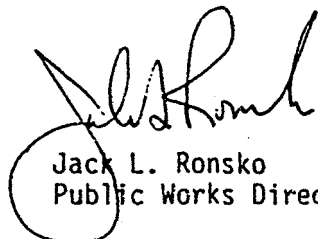
The recommended charges, based on Public Works staff time and expenses for advertising and mailing, are:

Agreement Preparation: 1% of construction cost with a minimum charge of \$500

Collection Charge: \$60

Based on the amounts of past agreements, most will pay the \$500 minimum.

FUNDING: None needed.


Jack L. Ronsko
Public Works Director

Prepared by Richard C. Frima Jr., Assistant City Engineer

JLR/RCP/lm

Attachments

cc: City Attorney
Mailing list

Reimbursement Agreements

Exhibit A

| <u>Item</u> | <u>Existing Code</u> | <u>Proposed Ordinance</u> | <u>Comments</u> |
|------------------------------------|--|--|---|
| Affects : | Water Lines Sewer Lines | Water Facilities Sewer Facilities Storm Drains Streets | The proposed ordinance will cover such improvements as sewer lift stations which, in the past, required a special agreement. |
| Maximum size without reimbursement | Water - 8" Sewer - 10" | Water 8" Sewer 10" Storm 18" Street 68 ft. R/W | The concept "oversize" streets was included in the Development Impact Mitigation Fee study, but not explicitly included in the ordinance. |
| costs eligible for reimbursement | Construction costs except services for oversize, difference in materials only 10%for engineering and administration | All construction costs plus services as appropriate Same Appropriate City fees, i.e. engineering, inspection, administrative charges, and easement acquisition | |
| Interest | Specifically <u>not</u> allowed | Reimbursement amount indexed to Engineering News Record Construction Cost Index | State law requires "an amount attributable to interest". Index is same as Development Impact Fee Ordinance |
| Term | 10 years, afterwards payments retained by City | 15 years, afterwards payments placed in the Impact Mitigation Fund(s) | |
| Basis of charge | Per front foot | As appropriate per parcel benefitted | Proposal allows flexibility in apportioning costs |
| City Charge | 2% of each reimbursement collected, with \$35.00 minimum for water | Separate charge to prepare agreement plus collection charge, at 7 set per separate resolution | Draft resolution recommends 1%of construction cost with \$500 minimum and \$60 for each collection |



CITY OF LODI

CARNEGIE FORUM

305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: October 16, 1991

Time: 7:30 p.m.

For information regarding this Public Hearing
Please Contact:

Alice M. Reimche

City Clerk

Telephone: 333-6702

NOTICE OF PUBLIC HEARING

October 16, 1991

NOTICE IS HEREBY GIVEN that on Wednesday, at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing to consider the following matter:

- a) Proposed Public Improvement Reimbursement Ordinance

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order Of the Lodi City Council:

Alice M. Reimche

City Clerk

Dated: October 2, 1991

Approved as to form:

Bobby W. McNatt

City Attorney